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ABSTRACT

Resting on the assertion that there is less criticism of the federal role in education in Australia than in the U.S., this paper attempts to identify the structures and practices associated with this less negative view and to determine if they are transferable to the U.S. The first section provides a contextual comparison for national education activities in the U.S. and Australia, focusing specifically on similarities and differences between the two countries. The second reviews the development of Commonwealth involvement in educational policy in Australia and describes the important characteristics of Commonwealth education programs. The third identifies the major issues of program implementation in the public school sector that were raised in interviews with Commonwealth and state education officials. The fourth section draws on this discussion to assess the implications of the Australian approach for educational policy in the U.S. The first suggestion elicited from the Australian experience is the desirability of consolidating the large number of U.S. federally funded programs and of focusing on a few major priorities. The Australian experience also suggests greater devolution to the state level of authority for implementation in an effort to minimize federal regulations and requirements. Use of a school-based policy is also suggested. (Author/JM)

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Federal Education Policy in Australia: Implications for the United States

School Finance Project

Working Paper

March 1981

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Federal Education Policy in Australia: Implications for the United States

School Finance Project

Working Paper

March 1981

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During the past fifteen years, the national governments in the U.S. and Australia have significantly increased the scope of their involvement in elementary and secondary school finance. This change in roles has occurred in systems where State governments are constitutionally assigned the responsibility for education and where States — and in the U.S., local education agencies (LEAs) — have traditionally played major roles in shaping educational policy. The purposes of national involvement have been quite similar. Primary concern has been with equalizing educational opportunity for special needs populations such as the economically disadvantaged, the handicapped, and non-English speaking children. Other concerns have been the improvement of educational practice, development of professional staff, and the opening up of educational systems through increased parental and community participation in educational decision-making and involvement in school affairs.

Despite these similarities, several years of experience with increased national activity in education suggests that the current status of Federal-State relations is quite different in the two countries. Interviews with Commonwealth, State and private education officials in Australia * indicate that criticism of the role of the national government—and particularly the Schools Commission which administers Commonwealth specific purpose grants—is not absent in that country. Yet it is far less prevalent than it is in the U.S. and, in general, is limited to issues which are endemic in a federal system in which different governmental levels are responsible to different constituencies. It also tends to be more ideological, rather than substantive in tone, focusing primarily on the broad issue of States' rights. The little substantive criticism is directed more at specific

*My impressions of Australia are based on observations and interviews during a three-week visit in November and December, 1980. I met with policy and program staff from the Schools Commission, the Commonwealth Department of Education and State Education Departments in four State capitals — Sydney in New South Wales, Adelaide in South Australia, Hobart in Tasmania, and Melbourne in Victoria — and the Australian Capital Territory (ACT). I also met with officials of the Catholic Education Offices in each of the four States, the national teachers' union, and the private schools organization in Victoria, and collected numerous documents, reports and books on Australian education.

financial concerns such as the deflection of State budgetary priorities, rather than on problems of program operation and administration.

This assessment of the differences in perceptions of the national government's role in elementary and secondary education in the U.S. and Australia leads to two important questions. What structures and practices are associated with a generally less negative view of the Commonwealth role in Australia? To what extent are these structures and practices transferrable generally to other national settings, and particularly to the U.S.?

This paper will examine the Commonwealth programs in order to identify factors which appear to make the system more "workable" than its American counterpart. It is organized into four sections. The first section provides a contextual comparison for national education activities in the U.S. and Australia, focusing specifically on similarities and differences between the two countries. The second reviews the development of Commonwealth involvement in educational policy in Australia and describes the important characteristics of Commonwealth education programs. The third identifies the major issues of program implementation in the public school sector raised in the interviews with Commonwealth and State education officials. (Commonwealth activities in the private sector will be addressed in a separate paper.) The fourth section draws on this discussion to assess the implications of the Australian approach to issues in elementary and secondary education for national education policy in the U.S.

The U.S. and Australia: A Contextual Comparison

Even a cursory examination of the history and the economic, political and social context of the U.S. and Australia suggests a strong degree of commonality between the two countries. (U.S. - Australia Project Proposal, 1980) They share a common language, and similar traditions. Both are modern states descended from European colonial establishments. The governmental systems also have much in common. Both are federations with constitutions which make numerous identical stipulations; American influence on Australian constitutional evolution and formation has been and remains profound.

The two countries share many characteristics. Both are essentially urban societies whose political and economic lives are controlled by densely populated cities and their suburbs. Recent population shifts also parallel each other. In the past two decades, both the U.S. and Australia have seen a growth in population in States which traditionally lagged in their economic development. Economic growth in these regions, primarily in energy-related activities, has generated part of this population change.

The evolution of Australian and American societies raises similar types of problems and issues. In both countries, there were indigenous populations long before the period of European colonization. Both countries are also an amalgam of immigrants from many cultures transplanted from Europe. After many years of a "melting-pot" philosophy with respect to immigrants, the two countries have recently come to question the validity of such policies and to explore the value of preserving sub-cultures within the total social fabric.

In education, the U.S. and Australia have developed systems which extend from pre-school through higher education (although education in Australia is compulsory only through grade 10, and a smaller proportion of Australian students go on to post-secondary education). In elementary and secondary education, public schooling constitutes the major sector, but private institutions historically have been important and have expanded in recent years. The coexistence of public and private education, and the forms of support, controls and interrelationship between the sectors remain important issues for public policy.

Differences between the U.S. and Australia, however, are numerous. Population size and the number of political subdivisions are illustrative of these differences. Australia is a country with only 14 million people, concentrated in the capital cities of six States and two territories in an area the size of the continental U.S.; the U.S. has nearly sixteen times that population in 50 States and the District of Columbia. Greater population size and diversity, and a more complex governmental structure in the U.S. have several

implications for Federal policy. They foster a variety of special interests and create a demand for categorical programs aimed at limited purposes. The variety of interests makes the development and implementation of Federal education policy much more complex than in Australia, since policy must accommodate wider variation in conditions among States and local jurisdictions.

Another difference between the two countries is in the role of States vis-a-vis local governments. In the U.S., there are about 39,000 units of local general government and 40,000 special purpose units, including 16,000 school districts which carry out the bulk of domestic governmental functions. Local governments are creations of States and subject to State authority, but in practice are granted wide fiscal and policymaking authority. In Australia, in contrast, State governments bear major responsibility for services. Education, health, police, and transportation are financed and operated at the State level. Local governmental units are largely administrative creatures of the States with few financial resources or responsibilities. Intergovernmental policy in Australia concerns Federal-State relations, rather than Federal-State-local relations, as in the U.S.

Australia's governmental structure—and the lack of tradition of local control—influences Commonwealth policy in several ways. First, it eliminates many of the equity issues which are common in the U.S.; for example, local fiscal capacity is not a determinant of school resources. Instead, school support is provided by States directly or through highly equalizing formulas. Commonwealth policy need be less concerned with comparability of resources because State resource bases are quite comparable. There is also greater certainty that Commonwealth resources will be used for positive discrimination, i.e., supplementation, rather than to make up for deficiencies in the State or local resource base. Finally, Commonwealth education policy does not have to be as sensitive to unique financial problems of particular types of jurisdictions, e.g., cities with municipal overburden. Since local governmental units do not finance major public functions from local tax bases, Commonwealth policy can focus more on educational than on jurisdictional or public finance considerations.

The general character of fiscal relations between the Federal and State Governments represents the third major difference between the U.S. and Australia. Since 1942, when the Australian States tranferred the responsibility for income taxation to the national government as a consequence of the wartime emergency, States have been limited to taxation sources which are non-growth in nature. Today, only about 40 percent of State revenues are derived from their own taxation. The balance is obtained from Commonwealth general financial assistance grants, special "equalization" grants, and specific purpose grants in areas such as education and health. The argument has frequently been made that this transfer of income tax authority has altered the balance of power and that the Commonwealth Government now dominates in the Australian Federation. American States (and localities) have become increasingly reliant on Federal transfer payments in recent years, but they still raise the bulk of their revenues from their own revenue sources and consequently exercise greater autonomy than their Australian counterparts, despite the widening scope of the national government in most areas of domestic policy.

Differences in the American and Australian political systems affect national education policy. In the U.S., the executive and the legislative branches of government are separately elected and represent diverse constituencies. The two branches do not "stand" for election based on a unified philosophy. As a result, a Presidential decision to develop a more coherent approach to policy and to focus on a limited number of objectives may be thwarted by a Congress which may create additional programs in response to pressures from special interest groups. In contrast, in Australia the Government is formed by the party which obtains a majority of seats in Parliamentary elections. The legislative process cannot create new special interest programs, separate and apart from support of the Government. The tendency towards program proliferation found in the American system of separation of powers is less pronounced in the Australian parliamentary system.

At least as striking as the differences in the political systems of the U.S. and Australia is the role of the courts in shaping educational policy. Beginning with the Brown decision by the U.S. Supreme Court in 1954, the judiciary has been a central actor in shaping both the role of national and State governments in education in the U.S. Based originally on the U.S. Constitution, and subsequently on legislation, Federal activity in education has, in part, been intended to guarantee the civil rights of racial and ethnic minorities, women, the handicapped, and other special groups. Some Federal programs are designed to provide technical assistance and limited financial support for activities which promote civil rights. But even in the absence of Federal funding, these rights have to be guaranteed by State and local education agencies. In Australia, in contrast, there is no bill rights in the Commonwealth Constitution; court intervention in educational policy has thus been relatively limited. The consequence in Australia has been that national government activity has not taken on a "compliance" orientation. The absence of an "adversary" relationship between the Commonwealth and the States, has enabled the Commonwealth Schools Commission to orient its activities toward program development and to promote decision-making authority at the State and school levels.

In sum, while the U.S. and Australia share some common history, tradition, and educational issues, their political structures and educational institutions differ significantly. These differencies in the structure of national political institutions, Federal-State fiscal relations, and local government represent a unique context for national education policy that is not readily subject to change in either country. For this reason, the structure and operation of education programs in Australia could not be transplanted into the American setting, or vice versa. The Australian experience may nevertheless provide a basis for considering some new direction for American educational policy. Specific proposals would, of course, have to be adapted to the unique aspects of the American situation.

Commonwealth Education Policy

As in the U.S., specific authority over education was not vested in the Commonwealth Government at the time of federation in 1901. Since World War II, however, the Commonwealth has become increasingly active in the area, initially in the post-secondary field, but gradually extending to the primary and secondary levels through its authority to make grants to the States and its responsibility for schools in the Territories. By 1970, the Commonwealth was providing specific purpose capital grants to States for secondary school libraries and science facilities, recurrent grants for Aboriginal and migrant education, and modest general and categorical support to non-government schools and school systems.

The origins of the current Commonwealth role in education can be traced back to the work of the Interim Committee for the Australian Schools Commission appointed by the Whitlam (Labour Party) Government in December, 1972. Its purpose was to "examine the position of government and non-government elementary and secondary schools (throughout Australia and to) make recommendations...(on) the immediate financial needs of those schools, the priorities within those needs and the measures appropriate to assist in meeting (them)." (Interim Committee, 1973) After an extensive review of the condition of Australian primary and secondary education, the Interim Committee issued a report, commonly referred to as the Karmel Report, which set the direction for Commonwealth education policy for the balance of the decade.

The approach recommended in the report reflected the philosophy that the role of the Commonwealth Government in elementary and secondary education should be supplementary to that of the States, that the Commonwealth should not be directly involved in the operation of schools, and that there should be maximum flexibility in the use of national resources at the State and school building level. Several statements in the Karmel Report illustrate this philosophy.

> The constitutional responsibility for the provision of public education rests primarily with the States, as at present does

> the major financial commitment. The Committee believes that the (Commonwealth Government's) influence should be of a general kind and that it should not intervene in or interfere with the management of schools or school systems.
>
> The Committee is firmly opposed to the Australian Government's becoming involved in the day-to-day running of schools and hence to any policy or structure which would subject individual schools or school systems to remote control. Indeed, all efforts have been directed towards facilitating greater autonomy and flexibility for schools, both government and non-government. Within the limitations demanded by public accountability, the Committee has taken the view that discretion in spending should be left to the people actively associated with planning and operating the schools. (Interim Committee, 1973)

Given the range of problems facing Australian elementary and secondary education, the Interim Committee recommended a strategy which included both general purpose and specific purpose grants. Programs of grant support that were recommended included the following:

Block Grants
1. General Recurrent Resources
2. General Buildings

Specific Purpose Grants
3. Primary and Secondary Libraries
4. Disadvantaged Schools
5. Special Education
6. Teacher Development
7. Innovation

The rationale for the approach was that it would "exploit both the flexibility associated with block grants and the priority emphasis of earmarked grants within the accountability requirements of a program budget." (Interim Committee, 1973) The major share of the resources allocated under the block grants (General Recurrent Resources and General Buildings) would go "towards a general underpinning of recurrent resources in schools and toward the replacement and upgrading of school buildings." Schools and school systems would be free to spend the funds in accordance with their own preferences. Additional funding through specific purpose grants would be targeted to areas recognized as national priorities. The Disadvantaged Schools Program would finance additional

educational services in schools with high concentrations of socioeconomically disadvantaged children; the Special Education Program would provide them in special facilities for the handicapped. The Libraries, Teacher Development, and Innovations Programs would contribute to the improvement of the general quality of education in both the government and non-government school sectors.

The commitment to devolution of decision-making and the non-directive nature of the proposed grants arrangements were reflected in the Karmel Report's discussion of both the recurrent as well as the specific purpose grants. Concerning the use of recurrent general grants, the Report states:

> It is emphasized that the additional resources to be purchased with money grants are meant to underpin the general operation of schools and not to overcome special difficulties of particular schools.
>
> The Committee has not laid down specifications for desirable numbers of teachers, amounts of equipment, and so on. It believes strongly that the allocation of additional resources is a matter for the schools and school systems concerned, on the grounds of there being positive advantage in light of local conditions. (Interim Committee, 1973)

Similarly, with the special purpose grants, the Committee recognized that certain areas required special emphasis. The programs they proposed, however, while directed toward certain objectives, contained considerable, and in some cases absolute, freedom for school authorities to exercise individual choice. (Interim Committee, 1973) Operationally, this philosophy had significant implications for a program such as the Disadvantaged Schools Program. It meant that programs for the disadvantaged could serve several objectives in addition to cognitive development. It also meant that supplementary resources provided under the Program could be used in diverse ways: to hire specialized personnel not ordinarily involved in the education process, e.g., social workers and language interpreters; to develop art, craft, music and recreational facilities which would broaden school and out-of-school experiences; and to develop projects which would transform the relationship between the school and its community.

In addition to the multiple program structure, the Interim Committee proposed the establishment of an independent Schools Commission to carry out several functions, one of which would be the administration of Commonwealth general and special purpose grants. The Karmel Report, in defining the role of the Commission, again placed great value on grass roots development, rather than on fiats imposed from remote sources. In the opinion of the Committee, the concern of the Commission should be more with providing incentives to schools to move in one direction or another than with delineating a particular model of development. (Interim Committee, 1973) Both the program structure and the role of the Schools Commission reflected a strong commitment to devolution of authority and responsiveness of programs to locally-defined needs.

Structure and Characteristics of Commonwealth Programs in Australia

The current structure and operation of Commonwealth elementary and secondary education programs in Australia continue to reflect the general principles set out in the Karmel Report. Several characteristics of the programs — and of program implementation — seem particularly important in light of the criticism of Federal programs and, more generally, of the role of the Federal Government in education in the U.S.

One important feature of Schools Commission programs is the CONCENTRATION ON A LIMITED NUMBER OF OBJECTIVES. In contrast with the U.S., where the number of programs has proliferated significantly in recent years, the number of programs in Australia has remained small and quite stable. Only two programs have come under the jurisdiction of the Commission since its inception in 1973. Migrant Education, whose primary concern is with teaching English as a second language to immigrant children, is not a new program, but one which was formerly administered by the Department of Immigration. Mulitical tural Education, developed in response to the Galbally Commission recommendation that multiculturalism be promoted in Australia, is now in its second year of funding. It presently is a very small program, with a budget of $A 1.2 million, representing only 0.3% of Schools Commission grants to government schools.

The relative stability of the Schools Commission program structure reflects several circumstances. The changeover in government in 1975 in which the Liberals returned to office is certainly important, since the Liberal-National Party has traditionally viewed the role of State Governments in education as paramount. The Schools Commission, however, has also followed a strategy of incorporating new objectives into existing programs, rather than creating new programs for very specific purposes. Program priorities may increase or shift over time from one concern to another, but these changes are not accompanied by program proliferation.

A second major characteristic of Schools Commission programs is the BALANCE BETWEEN GENERAL AID AND SPECIFIC PURPOSE GRANTS.* Since its inception, nearly 75 percent of Schools Commission allocations to government and non-government schools for both recurrent operations and capital facilities have been in the form of untied (block) grants. (See Table 1 for Schools Commission program allocations to government schools for 1980.) (Schools Commission, 1980) The large general aid component reflects the States' constitutional responsibility for education and the supplementary nature of the Commonwealth role. The States therefore have the flexibility to use the bulk of the resources provided them to best suit their own needs and priorities. In allocating funds, however, the Commission does expect that States will have regard for the Commonwealth priorities expressed in Commission Reports. For example, in the 1980 program guidelines for the General Recurrent Grants Program, the Commission identified the following areas requiring particular attention:

- positive discrimination in the provision of services for students where family circumstances reduce their likelihood of school success;
- wide involvement of teachers, parents, students, and the local community in decision-making. (Schools Commission, 1980)

*Commonwealth grants represented about 12 percent of total costs in government school in 1977-78. (Schools Commission, 1979)

SCHOOLS COMMISSION FINANCIAL ALLOCATIONS
FOR GOVERNMENT SCHOOLS, 1980
(June 1979 Prices)

PROGRAM	FINANCIAL ALLOCATION	PERCENT OF TOTAL FUNDS
RECURRENT GRANTS	A$206,714,000	55.3%
CAPITAL GRANTS	92,722,000	24.8
a. Disadvantaged Schools	(6,708,500)	
b. Special Education	(7,508,500)	
c. Library Resources	(9,179,500)	
d. General	(69,325,500)	
DISADVANTAGED SCHOOLS	19,085,000	5.1
a. Disadvantaged Country Areas	5,158,000	1.4
SERVICES & STAFF DEVELOPMENT	11,603,000*	3.1
SPECIAL EDUCATION	12,449,500	3.3
a. Residential Instns.	1,409,000	0.4
SPECIAL PROJECTS**	929,000	0.2
a. School Level Innovations*		
b. Projects of National Significance*		
c. Choice & Deversity in Government Systems		
d. School Level Evaluation*		
MIGRANT EDUCATION	22,721,000	6.1
MULTICULTURAL EDUCATION	1,288,500*	0.3
TOTAL GRANTS	$A374,079,000	100.0%

*For programs in government and non-government schools.
**No program breakdown.

Within these broad parameters, the States are virtually unrestricted in their use of funds.

The paragraph above suggests a third characteristic of Schools Commission specific purpose programs — their tendency to be relatively UNREGULATED and NON-PRESCRIPTIVE IN THEIR DESIGN. The only directives issued by the Commission to supplement general statutory authorizations are annual and triennial reports which outline Commission priorities and annual program guidelines which describe program purposes, funds allocations to States and non-government schools, and permissible uses of funds. The guidelines average some 20-25 pages in length and do not carry with them the force of law.

The guidelines do limit State decision-making in some areas. For example, under the Disadvantaged Schools Program, the Commonwealth Minister sets a maximum limit on the number of students who can be served in each State in order to ensure concentration of funds in "declared" schools. While States are responsible for establishing lists of eligible schools, using criteria which may differ from those used in setting allocations to States, they cannot exceed the maximum enrollment level determined by the Minister. Also, schools which were declared disadvantaged by States in the past must remain so in subsequent years; State changes in the list must be negotiated with the Commission.

Program guidelines also contain implicit limits on State expenditure of funds. The 1980 notes on the Capital Grants Program provide a "notional" allocation for Commission priorities in three areas: disadvantaged schools; facilities for special education; and library resources. Within these categories, permissible and priority projects are also identified, e.g., modification of facilities to permit handicapped children to attend regular schools. The "notional" allocations among and within priority areas, however, do not represent legislative requirements. As with provisions set out in other program areas, they represent Commission recommendations, which do carry significant weight, but which are subject to modification by the States, based on their assessment of State priorities and needs within the area.

Another set of characteristics of the Australian approach to problems in elementary and secondary education specifically concern the targeted pupil programs. These include the Disadvantaged Schools Program, the Migrant and Multicultural Education Programs and the Special Education Program. In general, the targeted programs tend to be small in scale and concentrated in a limited number of schools. The Disadvantaged Schools Program, for example, constitutes only about 5 percent of Schools Commission grants to government schools and serves only about 12 percent of schools and students. The three programs, in total, represent only about 15 percent of Schools Commission grants.

Programs are also school-based, rather than pupil-based. Funds for special education are used primarily to supplement and improve State services in special schools, centers and hospitals, for special classes in regular schools, and, where possible, to integrate (mainstream) handicapped children into regular classes. Disadvantaged Schools Program funds can be used for school-wide projects in declared schools.

Guidelines for the programs tend to be relatively expansive about the types of activities for which program funds can be used. Under the Disadvantaged Schools Program, for example, funds can be used to provide instructional services for non-English speaking or handicapped children in declared schools and can focus on varied objectives, ranging from basic skills, curriculum development to community-based experiences.

Further, the programs emphasize local inititative and avoid the search for "models" which can be replicated in other settings. As Blackburn observes (1980), given the state of knowledge about learning, "uniform recipes for improving schooling, or even improving precisely defined outcomes, are ... inappropriate."

These aspects of Australian specific purpose programs have important implications for program administration and implementation. Because there are only a few programs, each of which is concentrated in a limited number of schools, few schools qualify for more than one program. This reduces the possibility of excessive administrative burden and program overlap. Even in schools which may be eligible for more than one program, e.g.,

the Disadvantaged Schools Program and the Migrant Program, the school-based approach eliminates the problems of gaps and duplications in educational services. Services can be provided in an integrated, rather than a fragmented mode, since funds from different programs can be used to purchase different but complementary resources.

Services purchased with Schools Commission grants can also be coordinated with State activities in common priority areas. The State systems in Australia are highly centralized; staff and other resource allocations to schools are made by State Education Departments, not by local school districts. In priority areas such as the disadvantaged, States will generally provide schools with additional staff resources or with increased discretionary funds. Schools can then use Commonwealth funds to purchase other resources, using State allocations as a basis for assessing their resource requirements. They can integrate State and Federal resources at the school level to develop an appropriate mix of services. Thus, many of the intergovernmental tensions over coordination of State and Federal objectives and over resource allocation are mitigated under the Australian grants structure.

Accountability under Australian programs differs markedly from American requirements. Since funds can be used for various purposes within broad guidelines, and do not have to be linked to specific outcomes such as improvement on cognitive achievement tests, the Australian approach produces an emphasis on FISCAL, rather than programmatic ACCOUNTABILITY. In the area of general recurrent grants, for example, States must provide annual verifications that the funds received during the year have been spent. For specific purpose grants, they must identify and describe the specific projects which were the objects of expenditure in individual schools. They need not develop elaborate mechanisms for tracking funds down to the child level and ensuring that particular children receive educational services.

To summarize, Commonwealth elementary and secondary education grants programs are marked by the following characteristics:

1. Two general purpose grants mixed with a few specific purpose grants, all of which have limited objectives.
2. Changing national educational priorities incorporated into existing programs, rather than developed as separate new programs.
3. Specific purpose grants marked by limited regulation, little prescription, and substantial flexibility to develop programs within broad, general guidelines.
4. Fiscal, rather than programmatic accountability.

Issues of Implementation

In a federal system in which national and subnational governmental policies are carried out at the local level, issues of program implementation require consideration from the perspective of all governmental levels. This discussion of implementation of Schools Commission programs in Australia, however, focuses primarily on Commonwealth and State concerns and less on the local perspective for the following reason. Unlike the U.S. where LEAs have historically played an important role in educational policy, there are no independent LEAs in Australia with responsibility for financial and policy decisions. Schools serve as administrative units for carrying out State policy. The State-local and Federal-local interactions are therefore of less consequence than in the U.S.

The Federal Perspective - Commonwealth programs are intended to achieve two major objectives: (1) to provide general financial support for recurrent operations and capital projects; and (2) to provide extra resources for a limited number of major national priorities. Within these broad objectives, there are several expectations about the utilization of financial resources and the content of State or school activities. These include the following:

1. States will use grant funds to supplement their own funds, not to substitute them for State allocations. With additional funds from the Commonwealth, States will maintain the financial support for education from their own resources; maintenance of effort is defined as education's share of the State budget.

2. In distributing general recurrent grants from the Commonwealth, States will not take specific purpose allocations into account. Children in schools eligible for funds under specific purpose programs will benefit from general recurrent funds, in addition to specific purpose funding. The latter will not substitute for recurrent resource allocations, but will provide supplementary educational services.
3. Specific purpose grants will be used (a) within the program area, (b) in eligible schools, and (c) for projects which reflect Schools Commission priorities. Within the broad program guidelines, resources will be used for the intended purposes, rather than diverted towards other objectives.
4. As a long run expectation, it is hoped that successful programs could be identified and disseminated more widely so that broader goals such as equal educational opportunity might be better achieved.

From the Schools Commission perspective, the regulatory structure (or lack of it) does not provide firm assurance that the general purposes of Commission programs will be achieved. In the area of funds allocation, the requirements imposed upon States are quite limited. In view of the State budgetary process which may reflect anticipated Commonwealth grants, it is reasonably certain that some substitution of Commonwealth for State funds will occur and that State allocations across program areas will be influenced by Commonwealth grants. Similarly, under program guidelines which are broad enough to accommodate multiple objectives using diverse methods, there are no guarantees that a Commonwealth view, in this case the Schools Commission's view, of priority objectives will be implemented. There is only an indirect effect based on the Commission's informal influence—which is not inconsequential—on State and school officials. While this lack of control is consistent with the philosophy of the Commission's role in the Australian federal system, it limits its ability to shape program implementation and States' allocations of their own resources. In the long run, it may also limit the Commission's ability to evaluate the programs' effects.

The State Perspective - Despite the relative absence of Commonwealth regulation of resource distributions and program content, the States view any Commonwealth specific purpose initiatives in education as an infringement of their constitutional authority and as a limitation on their decision-making prerogatives. Several specific areas of tension which have been identified in recent reports on Australian education (CERI, 1979) have been confirmed in interviews with State education officials.

The major area of State concern centers on Commonwealth influence on State budgets produced by specific purpose grants. For example, the Schools Commission will limit the number of children in each State who can be served in the program (as it has under the Disadvantaged Schools Program), in order to ensure that funds are concentrated on schools with the greatest needs. The program's existence, however, creates a demand for additional resources in schools with similar characteristics which cannot be served. States have to respond to the political pressure by funding other programs in these schools from their own resources. From the State perspective, this may entail a shift in State allocations from other priority areas.

A second problem identified by State officials results from the failure of the Commonwealth to guarantee future funding for particular programs or projects. When the Commonwealth pulls out of a program area, States will be left with funding obligations in a non-priority area. Or, in recognition of the lack of funding guarantees, States may be unwilling to commit their own resources to a project which may not be a Commonwealth priority in the future. Projects may therefore be undertaken without sufficient resources to carry out effectively either State or Commonwealth priorities.

States often perceive that there is a mismatch between Commonwealth funding priorities and their unique problem areas. For example, in recent years there has been a decline in Schools Commission general capital grants, prompted in part by the decline in enrollments in the government school sector. Within States, however, enrollment decline has not been uniform. Some areas with enrollment increases may still require new

facilities, while older areas with stable school populations may require renovations and other capital improvements. States may have to shift resources out of recurrent funding in order to adequately address their capital needs.

A third set of issues raised by States pertains to particular programs such as the Innovations Program and the Disadvantaged Schools Program. States believe that they represent the governmental level at which decisions about school eligibility and project approval should be made. In the early years of the Innovations Program, States were excluded from the process of project formulation and approval. The program was a direct School Commission-school program without any direct State participation. States thus viewed the program as a direct threat to their autonomy. In the Disadvantaged Schools Program, schools were originally " declared" by the Schools Commission, using the Commission's criteria for eligibility, rather than by the States. As the programs evolved, however, many of these types of issues have been resolved. States have been included in the project approval process in the Innovations Program, while in the Disadvantaged Schools Program, authority to designate target schools has been shifted to the State level. School Commission criteria continue to be used to determine State allocations, but States can develop their own critieria for allocating funds to schools.

A review of the issue areas identified by State officials suggests that they are primarily fiscal rather than administrative in nature. The States question the necessity of specific purpose grants which limit their discretion in the use of resources, create additional funding burdens on them, and shift resources to non-priority areas. Problems with program implementation do not appear to be very significant since States receive significant general aid and are permitted a fair degree of latitude in using resources from specific purpose grants within general program guidelines. The States do raise the issue of administrative burden and paperwork requirements, but these appear to be minor, given the small number of programs and limited Commonwealth involvement in elementary and secondary education outside the program structure. In sum, intergovernmental tensions

over educational issues are clearly not absent in Australia, but those that do exist appear to be a natural outcome of its federal political structure and relatively minor in comparison with recent American experience.

The Local Perspective - State school systems in Australia are highly centralized. State education departments allocate professional staff and school resources to local schools through formulas based mainly on school size. While above-quota allocations for unique local circumstances are not uncommon, local school authorities can exercise relatively little choice over the level and mix of resources. Most Schools Commission programs are therefore quite popular with local school administrators since Commonwealth grants accord them a level of flexibility which is generally not found with State-provided resources. Projects and programs developed in response to locally-defined needs and resources can be used in varied ways to achieve diverse purposes. Issues do arise between the Schools Commission, States, and the schools over program quality, the extent of parental and community participation in project planning and development, and, to a lesser extent, over paperwork burdens. But issues of program coordination, and overlaps and gaps in educational services are largely absent, since schools rarely have to administer more than one or two programs. On balance, Schools Commission programs appear to be viewed much more as assets than as liabilities at the local school level.

Implications of the Australian Experience for the U.S.

The Federal presence in elementary and secondary education in the U.S. has in recent years been marked by program proliferation, multiple--and often conflicting--requirements aimed at different policy objectives, increased complexity of administration, and fragmentation in the delivery of educational services. The high degree of regulation has, however, provided relative assurance that Federal purposes are carried out and that target groups of Federal programs do not go unserved. In contrast, the Australian approach, which is designed to accomplish many of the same goals as its American counterpart, is considerably less complex, faces fewer problems in implementation and

administration, and creates less tension between governmental levels. By limiting program regulation, however, the Australians have traded off their ability to know how money is spent, to assess program effectiveness, and to ensure that Commonwealth concerns are pursued. In short, a comparison of the American and Australian experience with national programs simply serves to underscore the tradeoff between program accountability and flexibility in resource utilization.

There are, nonetheless, several lessons for future American policy which might be drawn from the Australian experience. The first is to focus on a limited number of major priorities rather than on multiple minor concerns. At present, the Commonwealth Government concentrates its funding on a handful of programs while the Federal Government in the U.S. funds over 60 small, separate categorical programs. This fragmentation, coupled with overlap and duplication of activity, suggests the need for a thorough review of existing Federal programs to determine which remain important national priorities and which no longer require special attention at the national level. Once such an assessment is made, non-priority programs could be eliminated and remaining programs consolidated into a limited number of categorical areas based on similarity of purpose, e.g., assistance to target groups, school improvement, staff development, etc. These programs would have a single administrative structure with the same application procedures and sets of requirements. Each of the categories could still be broad enough, however, to accommodate many existing program objectives and new priority concerns that might arise subsequent to consolidation. The strategy would be to modify or expand permissible activities within the program structure, rather than to create new grants for specific purposes as new concerns arise.

An alternative consolidation strategy would not draw directly on the Australian experience, but might be viewed as appropriate in the American setting. Under a program consolidation, a single discretionary general aid program could be established whose purpose would be to act as a stimulus to States to pursue a policy of resource equalization

among school districts, or to address the unique problems of urban and/or rural areas. Using an analogous model to that currently used in the Impact Aid program, equalization standards could be established to qualify States for discretionary aid. Future aid could be made contingent on movement towards or away from these equity standards or other qualifying criteria.

The Australian experience suggests, secondly, that the U.S. Federal Government may impose too many requirements to accomplish national purposes and that administrative burdens may get in the way of program objectives. In line with a reassessment of program priorities, a review of program requirements should be undertaken to determine those essential to carrying out Federal purposes and those which can be eliminated without jeopardizing Federal priorities. To the extent possible, this review should encompass related programs so that inconsistencies in regulations among programs could be eliminated and data reporting and administrative burdens could be minimized.

To the extent that certain national objectives remain paramount, there is persistent controversy over which governmental level should be responsible for ensuring that objectives are carried out. The Australian experience suggests the possibility of greater devolution of authority for policy and program implementation to the State level, since States have the constitutional authority for education in the U.S. The States, however, have an uneven record at best in responding to national concerns for civil rights, and education of the disadvantaged, the handicapped, and limited- or non-English speaking pupils. Devolution of authority might therefore be made contingent on the achievement of certain performance standards in these several areas of concern. Performance standards might also serve as incentives to States to undertake new activities and provide the basis for devolution of authority in the future.

The Australian experience suggests further consideration of the appropriate unit of analysis — school vs pupil — for Federal educational policy. Blackburn, in her review of Title I and the Australian Disadvantaged Schools Program, makes a strong case for a

school-based policy, arguing that it eliminates "invidious distinctions among students and parents," and "encourages the development of linkages between the school and the local community." (Blackburn, 1980) Federal education policy might follow the Australian example and pursue a school-based approach on a demonstration basis in selected schools which have many students who are eligible for several Federal programs. The results of the demonstration might provide information about the necessity of particular funds allocation and targeting requirements and the broader practicality of a school-based strategy.

Any of the alternative courses suggested here — consolidation of programs, devolution of authority to the State level, modification of regulations and requirements, and the use of a school-based rather than a pupil-based approach to programs — may entail potential losses as well as gains for the public interest. For example, a loosening of Federal control of the use of resources, may result in less local adherence to planning and program implementation requirements, and less assurance that program objectives are pursued. It could also produce a shift in emphasis away from Federal priorities such as equality of educational opportunity. Recent experience, however, does suggest that existing Federal program strategies have their problems and limitations. A more decentalized system, operating without some of the present Federally-imposed requirements, might enhance State-local interest in promoting national ojectives and alleviate the more strident criticism of present Federal programs.

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